

Financial Policies

Measurement Focus

All Governmental Funds and Expendable Trust Funds are accounted for using a current financial resources measurement focus. Only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

All Proprietary Funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases and decreases in net total assets.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds, expendable trust, and agency funds are accounted for on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become available and measurable. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for (1) unmatured interest on general long-term debt, which is recognized when due; (2) prepaid items, which are reported only on the Balance Sheet and do not affect expenditures; and (3) the long term portion of accumulated sick pay, vacation pay, and compensatory time, which is not recorded as an expenditure.

All proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized in the period incurred, if measurable.

Budgetary Basis

Annual budgets are prepared to be consistent with the basis of accounting. There are certain exceptions where it is known that final expenditures will be less than the initial budget. The budget reflects the exclusion of five percent of anticipated collections of certain general revenues, in accordance with Florida Statutes. Actual revenues may exceed the budget. Since budgeted expenditures represent a ceiling, actual expenditures normally fall short of the budget. The excess revenues and under expenditures carry forward as fund balance to the following year. For Proprietary Funds, depreciation expenses are not budgeted, but are recorded and reported for financial purposes.

All annual appropriations lapse at fiscal year end. Under the County's budgetary process, outstanding encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be reappropriated and honored the subsequent fiscal year.

Budgetary Control

Separate accounting systems and budgets are maintained by the Board of County Commissioners, Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections, and Clerk of Courts.

Florida Statutes require that the County adopt a balanced budget. Managerial budgetary control for the Board of County Commissioners is maintained at the fund, department and account level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders, which result in an overrun of cost center balances, are not released until additional appropriations are made available. Encumbrances at fiscal year-end are canceled and, if required, are then re-encumbered in the new budget year based on allowable appropriations.

Expenditures by the Constitutional Officers who maintain separate budgets are controlled by appropriations in accordance with budget requirements set forth in Florida Statutes.